

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE EFFECTS OF THE FEDERAL TAX)
REFORM ACT OF 1986 ON THE RATES OF) CASE NO. 9816
KENTUCKY WATER SERVICE COMPANY, INC.)

O R D E R

On January 26, 1987, Kentucky Water Service Company, Inc., ("Kentucky Water") filed its initial response to the Commission's Order of December 11, 1986. David Kinloch on behalf of the Utility Rate Cutters, intervenors in this case, filed testimony February 25, 1987. On April 10, 1987, Kentucky Water filed its response to the Commission's second information request dated March 13, 1987.

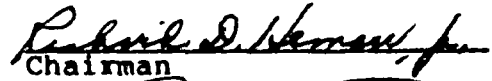
The Commission upon careful review of the intervenors' testimony and the responses filed by Kentucky Water is of the opinion that the Tax Reform Act of 1986 will have an insignificant impact on Kentucky Water's revenue requirement. Therefore, the Commission finds that Kentucky Water should be further relieved.

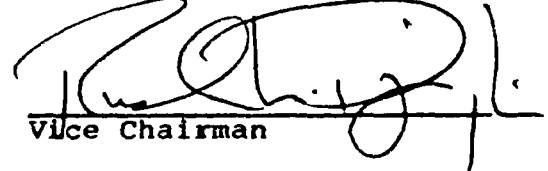
IT IS THEREFORE ORDERED that:

1. This case be and is hereby dismissed.
2. The hearing be and is hereby cancelled.

Done at Frankfort, Kentucky, this 1st day of May, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director